



MINUTES

**of the meeting of the Finance and Employment Committee
held on Wednesday 1 July 2015**

Present: - Dr Alan Lavers (Chair)
Mr James Caird
Mr Tony Ford
Mr Richard Garnett
Mr Ian Peake (Principal)

In Attendance: - Mr David Williams (Deputy Principal)
Mr Edward Rehm (Director of Finance)
Mrs Debra Baldwin (Director of Personnel)
Mrs Linda Watkins (Clerk to the Corporation)

The meeting was quorate as four Members were present.

	Action
<p>1. Apologies for Absence No apologies.</p>	
<p>2. Declaration of Interests Item 6: Dr Lavers - Appointment of Chair.</p>	
<p>3. I. Minutes of the Last Meeting The Chair signed the minutes of the meeting held on 11 March 2015 as a true and accurate record.</p> <p>II. Matters Arising from the Minutes No matters arising.</p>	
<p>4. Employment Reports The Director of Personnel presented the following reports: -</p> <p>I. Health and Safety Report</p> <p>A. There was 1 RIDDOR incident during the period from 1 September 2014 to 31 May 2015 and a total of 126 recorded accidents. It was noted that previously there were 2 RIDDOR incidents. The Director of Personnel would follow this up. The RIDDOR incident was outlined.</p> <p>B. More specific detail was requested for incidents at the Faculty of Land Based Studies which had the highest number of incidents. These were not serious incidents, many were bites and scratches from animals. The overall number of incidents this year was likely to compare similarly to the previous year. A Member asked if large group sizes or the reduction in staffing had increased accidents. Information on staff:student</p>	D Baldwin

ratios were not collated in the accident report; animal care had high staff ratios.

- C. Specific areas of focus by the Health and Safety Advisor were covered in the report including action plans prepared following the annual health and safety learning walks with the Principal.
- D. A Member asked if the College were aware of the 'REACH' list of banned substances and chemicals. The Director of Personnel would follow up with the Health and Safety Advisor.

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II. Staff Report

- A. Staff development programme at the end of term was noted.
- B. Initial issues following the move to a new payroll provider had been resolved.
- C. Teachers' Pension Scheme employers' contribution will rise from 14.1% to 16.48% from September. A Member asked about the cost to implement this; it was included in next year's budget.
- D. Pay entitlement for staff working non-guaranteed overtime would need to be paid following recent decisions by an Employment Appeal Tribunal. This was likely to affect only a few staff.
- E. A Member asked what the College had done to address the Prevent agenda. Training had been arranged for staff and Governors to ensure the College understands and embeds the Prevent Duty. A Prevent Strategy had been put in place. The College's Safeguarding Policy had been amended to include Prevent and various College wide policies had been revised in light of the Prevent Duty. Progress would be reported in the safeguarding report.

The Committee agreed: -

- To note the reports presented by the Director of Personnel.

5. Finance Reports

I. College Budget 2015/16 and 2 year Financial Forecast

The Board is required to approve the College budget and 2-year financial plan by 31 July 2015. These are submitted to the Skills Funding Agency. The Director of Finance had prepared a commentary which provided a detailed explanation to the budget.

This included Keith St Peter Ltd, its subsidiary company.

	2015/16	2016/17
	£000	£000
Income	15,486	15,273
Expenditure	15,471	15,264
Operating surplus	15	9

Faculty contributions: -

Technology Studies 48%

Community Studies	47%
Land Based Studies	32%
Ludlow College	38%

The College is required to show the effects of implementing FRS17 in the forecast showing a deficit of £6.6M for the pension reserve. This was outside of the College's control.

Key ratios were noted for the financial forecast showing the College remained solvent. Pay as a percentage of income was 65%. The College would continue to make a small operating surplus which was extremely positive in the sector.

The Director of Finance calculated the College's financial health, as 'good' for 2015/16. Members agreed with this calculation.

Details of Risk Management and Disaster Recovery were noted; these had not been amended. A Member asked if there are robust procedures in the event of an act of terrorism. The College plans for any disaster in the Disaster Recovery Plan. The College insurers would work with the College in the event of any major incident.

The budget was profiled over the year; variances against the year-end position are reported in monthly accounts.

There was a caveat that the Chancellor's budget could change the College budget. A Member asked about Alison Woolf's report on college funding asking if Governors could lobby on behalf of the College. This was not considered to be appropriate at this stage; the AoC lobbied effectively on behalf of the colleges.

II. Management Accounts to 31 May 2015

- A. There is currently an operating deficit of £13,353 at the end of ten months against a planned budget outturn of £9,774.
- B. £350,000 income had been sub contracted as agreed by the Board.
- C. The bank balance, including KSP Limited, was £3.2M.
- D. Contribution by Faculties: Land-Based Studies 27%, Technology Studies 46%, Community Studies 55% and Ludlow College 34%. All faculties were achieving planned contributions with the exception of Community Studies which was marginally below target.
- E. Income diversity remained unchanged.
- F. Performance indicators remained positive, the current ratio had decreased slightly

III. Sub-Contracting 2014/15

The Clerk reported that a report had been presented to the Audit Committee and Q&S Committee to monitor sub-contracting provision.

IV. Write off Bad Debts

There were no debts to be written off for the year 2014/15.

V. Capital Projects Update

Progress of capital projects at Holme Lacy Campus was outlined. The LEP would not release funding in the current financial year to enable the College to provide new equipment for the recently completed workshop. It had agreed to make funding available during their next financial year. The College would have to make a business case for funding in September. In the meantime the workshops were fitted out with equipment from the old workshops.

The College was investigating the possibility of submitting a planning application for residential use of some land near the roadside at Holme Lacy Campus and converting Willersley House to apartments. If planning permission was granted, this would be sold to a developer. A Member asked if it would be more profitable to develop the land before selling; this was not the role of a College. The process to obtain planning permission, including time to complete various surveys, would take several years. A Member asked about the potential development in the sawmills field at Holme Lacy Campus. The College had appointed a consultant to work on behalf of the College identifying that this would not have been viable to pursue. A Member commented that it was likely that there would be objections from residents and asked if there would be consultation with the Parish Council at an early stage. The Director of Finance responded that the College would appoint a consultant who would progress the planning application and consultation through formal channels at the appropriate time. A Member suggested approaching individual residents and offering assistance. The College would use a consultant to address. There was discussion on the use of the sports field suggesting it might be registered as a community asset; however, this was privately owned by the College for students' use only.

The Board agreed: -

- To recommend that the Board approve the budget 2015/16 and financial forecast
- To recommend that the Board approve the Risk Management and Disaster Recover Policy
- To note management accounts to 31 May 2015
- To note sub-contracting controls had been reported to the Audit Committee and Q&S Committee
- To note there were no bad debts to write off in 2014/15
- To note the verbal update on capital projects and plans to investigate obtaining planning permission at Holme Lacy

6. Annual items for Committee

- I. Election of Chair 2015/16: The Committee agreed to re-appoint Dr Lavers as Chair.
- II. Committee's self assessment: Members assessed the

Committee's performance against its terms of reference. The Clerk had compiled evidence of effectiveness. This would be used to prepare the Governors' component of the College's self assessment report.

III. Terms of reference: reviewed.

The Committee agreed: -

- To re-appoint Dr Lavers as Chair of the Committee for 2015/16
- The Committee was effective and adequately met the requirements of its terms of reference
- Minor amendments to the terms of reference including an aspirational attendance target of 100% for Committees

6. Any other Business

No items

7. Date and time of next meeting

The next meeting was arranged for Wednesday 2 December 2015 commencing at 2.00 pm.

Signed as a true record of proceedings

Chair: **Date:**.....